

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (7/28):
BUTTER: Grade AA closed at \$1.1625. The weekly average for Grade AA is \$1.1550 (+.0067).

CHEESE: Barrels closed at \$1.1100 and blocks at \$1.2300. The weekly average for barrels is \$1.1730 (+.0010) and blocks, \$1.2635 (+.0520).

NONFAT DRY MILK: Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

BUTTER: The butter market tone remains mixed. Milk production and cream availability across the country are declining, although butter production remains seasonally quite active in many plants. Butter stocks are reported to be in good balance for current and future needs. The most recent cold storage figures indicate that June end-of-month stocks were heavier than last June and the highest since the fall of 1994. Current buyer interest is fair. In many instances, buyers are placing orders for near term or immediate needs only.

CHEESE: The cheese market is unsettled to weak. Increased offerings and slower barrel demand during July has pressured barrel prices lower, spilling over to block prices. Interest is mixed with buyers generally just making purchases for short term needs. Manufacturing milk supplies are tightening as southern fluid milk needs increase seasonally before schools reopen. It may take a few weeks to tighten CME eligible current cheese supplies (less than 30 days old) appreciably. Ample supplies of cheese remain in inventory.

FLUID MILK: Milk volumes are seasonally lower in the southern most states where heat and humidity are deterring output. In the rest of the country, temperatures are more moderate and production volumes are holding steady to somewhat lower. Milk shipments are down compared to last year. Wisconsin shipped out 4 spot loads compared to 14 last year and Florida received 30 loads compared to 63 loads last year. Class I demand is slow to fairly good depending upon regional feature activity. Condensed skim movement is good, especially on Class III supplies. Fluid movement into cheese operations is strong in the Northeast. In the Midwest, some cheese plants are reducing schedules and milk intake due to changes in the milk supply and required maintenance. The fluid cream market is generally firm. Extra supplies are available in areas of the West. Multiples are unchanged to higher in response to the decline in the weekly average CME

AA butter price. Ice cream sales are good and churning activity is light to moderate.

DRY PRODUCTS: Dry product prices are generally unchanged to higher. Seasonal declines in the milk supply are encouraging firmer NDM markets in the Eastern and Central regions. In the West, production is out pacing demand and a weaker market tone is noted. Buttermilk markets are mostly steady. Some resale product is being offered below current price levels. Producer supplies are tight to in balance for the light spot interest. Whey prices moved higher in the West and remained unchanged elsewhere. While markets are firm in the West and East, Central region producers are offering at a discount and finding product difficult to move. Production is lower due to declines in milk and cheese output. The WPC market remains unsettled with prices unchanged to higher. Resale product is being offered below the average while producers trade at both discounted and premium prices. Lactose supplies are generally heavy and difficult to move with offers as low as 15 cents. Prices are unchanged while the market tone continues weak.

CCC: During the week of July 24 - 28, net CCC purchases total 6,394,424 lbs. of nonfortified and 925,500 lbs. of fortified NDM. All NDM purchases for this week were sourced from the West.

JUNE COLD STORAGE (NASS): U.S. cold storage holdings of butter at the end of June 2000 totaled 144.8 million pounds, 20.1% higher than a year earlier and 4.9% higher than May 2000. Natural American cheese holdings total 574.6 million pounds, 8.2% higher than a year earlier and 3.6% more than May 2000. Nonfat dry milk holdings at the end of May 2000 total 514 million pounds with 205 million pounds in commercial storage and 309 million pounds in government storage. Nonfat dry milk holdings more than doubled over May 1999 and increased 12.2% compared to April 2000.

CONSUMER PRICE INDEX (BLS): The June 2000 consumer price index (CPI) for all food is 167.3, up 2.3% from a year ago. The dairy products index at 159.5, is 2.2% above a year ago. The June to June changes in selected dairy products are: fresh whole milk +4.9%, cheese +1.1%, and butter -4.4%.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during January 2000 - May 2000 totals 14.6 billion pounds, up 4.7% from the same period last year. Fluid milk, cheese and dry product comparables were not available.

****SPECIAL THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JULY 24	TUESDAY JULY 25	WEDNESDAY JULY 26	THURSDAY JULY 27	FRIDAY JULY 28	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.2150 (+.0150)	\$1.2050 (-.0100)	\$1.1900 (-.0150)	\$1.1450 (-.0450)	\$1.1100 (-.0350)	-.0900	\$1.1730 (+.0010)
40# BLOCKS	\$1.2800 (+.0300)	\$1.2800 (N.C.)	\$1.2800 (N.C.)	\$1.2475 (-.0325)	\$1.2300 (-.0175)	-.0200	\$1.2635 (+.0520)
NONFAT DRY MILK EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER GRADE AA	\$1.1475 (N.C.)	-----	\$1.1550 (+.0075)	-----	\$1.1625 (+.0075)	+.0150	\$1.1550 (+.0067)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, JULY 24, 2000

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.2000, 1 @ \$1.2150; 4 CARS 40# BLOCKS: 1 @ \$1.2500, 1 @ \$1.2600, 1 @ \$1.2700, 1 @ \$1.2800; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2000; OFFERS UNCOVERED: 6 CARS BARRELS: 2 @ \$1.2200, 2 @ \$1.2300, 1 @ \$1.2400, 1 @ \$1.2500; 4 CARS 40# BLOCKS: 2 @ \$1.2850, 1 @ \$1.2950, 1 @ \$1.3000

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 9 CARS GRADE AA: 2 @ \$1.1375, 3 @ \$1.1400, 1 @ \$1.1425, 1 @ \$1.1450, 2 @ \$1.1475; BIDS UNFILLED: 3 CARS GRADE AA: 1 @ \$1.1300, 2 @ \$1.1000; OFFERS UNCOVERED: 8 CARS GRADE AA: 1 @ \$1.1475, 1 @ \$1.1500, 2 @ \$1.1525, 2 @ \$1.1550, 1 @ \$1.1600, 1 @ \$1.1700

TUESDAY, JULY 25, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1900; OFFERS UNCOVERED: 8 CARS BARRELS: 1 @ \$1.2050, 1 @ \$1.2200, 1 @ \$1.2250, 1 @ \$1.2300, 1 @ \$1.2350, 1 @ \$1.2400, 1 @ \$1.2450, 1 @ \$1.2500; 3 CARS 40# BLOCKS: 1 @ \$1.2900, 1 @ \$1.3000, 1 @ \$1.3100

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JULY 26, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 14 CARS BARRELS: 1 @ \$1.1900, 1 @ \$1.1925, 2 @ \$1.1950, 1 @ \$1.1975, 2 @ \$1.2000, 2 @ \$1.2025, 3 @ \$1.2050, 1 @ \$1.2075, 1 @ \$1.2100; 3 CARS 40# BLOCKS: 1 @ \$1.2900, 1 @ \$1.3000, 1 @ \$1.3100

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 12 CARS GRADE AA: 1 @ \$1.1400, 3 @ \$1.1450, 2 @ \$1.1475, 1 @ \$1.1500, 4 @ \$1.1525, 1 @ \$1.1550; BIDS UNFILLED: 14 CARS GRADE AA: 1 @ \$1.1425, 1 @ \$1.1300, 1 @ \$1.1275, 1 @ \$1.1250, 1 @ \$1.1200, 1 @ \$1.0300, 1 @ \$1.0275, 1 @ \$1.0250, 1 @ \$1.0225, 1 @ \$1.0200, 1 @ \$1.0175, 1 @ \$1.0150, 1 @ \$1.0125, 1 @ \$1.0000; OFFERS UNCOVERED: 6 CARS GRADE AA: 1 @ \$1.1550, 1 @ \$1.1575, 3 @ \$1.1600, 1 @ \$1.2000

THURSDAY, JULY 27, 2000

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1875; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 12 CARS BARRELS: 1 @ \$1.1450, 1 @ \$1.1500, 1 @ \$1.1700, 1 @ \$1.1750, 1 @ \$1.1800, 1 @ \$1.1825, 2 @ \$1.1875, 2 @ \$1.1900, 1 @ \$1.1950, 1 @ \$1.2000; 3 CARS 40# BLOCKS: 1 @ \$1.2475, 1 @ \$1.2550, 1 @ \$1.2800

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JULY 28, 2000

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1100; 6 CARS 40# BLOCKS: 3 @ \$1.2125, 1 @ \$1.2200, 2 @ \$1.2300; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.0900, 1 @ \$1.0700; 1 CAR 40# BLOCKS @ \$1.2300; OFFERS UNCOVERED: 18 CARS BARRELS: 1 @ \$1.1100, 1 @ \$1.1125, 1 @ \$1.1150, 1 @ \$1.1200, 1 @ \$1.1425, 2 @ \$1.1450, 3 @ \$1.1500, 3 @ \$1.1550, 3 @ \$1.1600, 2 @ \$1.1650

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 10 CARS GRADE AA: 1 @ \$1.1650, 4 @ \$1.1625, 3 @ \$1.1600, 2 @ \$1.1625; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ \$1.1500, 1 @ \$1.1475, 1 @ \$1.1450, 1 @ \$1.1425, 1 @ \$1.1400; OFFERS UNCOVERED: 5 CARS GRADE AA: 2 @ \$1.1650, 1 @ \$1.1700, 1 @ \$1.8000, 1 @ \$1.1850

BUTTER MARKETS**JUNE MONTHLY COLD STORAGE**

According to NASS, June month-end cold storage figures for butter total 144.8 million pounds, 20.1% more than last year and 4.9% higher than the revised May 2000 figure.

NORTHEAST

At the CME, prices have been relatively steady for over a week. The market tone is still unsettled. Many contacts are unsure which direction the CME price will take next. Most buyers/distributors are ordering only for immediate needs. The most recent cold storage report shows June end-of-month stocks 20.1% heavier than a year ago and at the highest level since September 1994. Production levels in the East are lighter as more cream moves into Class II channels. West Coast butter continues to supplement local supplies. Food service orders are seasonally good while retail sales are just fair unless featured. Sales for bulk butter continue in the range of 3-5 cents over the CME price/average.

CENTRAL

Butter markets are generally steady. The cash trading level at the CME has held steady for about a week, the longest unchanged period since early May, but then

firmed slightly at midweek. The most recent month ending cold storage report indicates that butter stocks are the heaviest they have been since 1994. Overall stock levels are being reported as fully sufficient for current needs. Some producers and handlers feel that stocks, along with projected production, will be sufficient to carry them well into the fall, and for some, through the final quarter of the year. In light of this, some are projecting prices to remain relatively low for the last half of the year. Current demand is seasonal. Retail orders are about steady, with heavier demand stimulated by feature activity. Food service orders are holding up quite strong. The summer vacation season is in full swing and away from home eating patterns are reported as very active.

WEST

Demand for butter seems to be slower than noted a few weeks ago. Buyers seem to be thinking that stocks may not be as short as some had thought possible for the fall season. Milk production is declining seasonally, but butter output is above expectations at many plants. Cream sales are mixed, often not as strong as hoped for this time of year. The weekly CME butter inventory declined by 3.3 million pounds this week. Month ending cold storage stocks of butter as measured by USDA are higher than any time since September 1994. Current prices for bulk butter range from 6 cents under to 3 cents under the market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	BARRELS 39% MOISTURE	NDM	BUTTER	DRY WHEY
JULY 22	1.2283 6,209,956	1.2192 8,416,509	1.0123 20,537,029	1.1422 2,860,385	0.1987 7,622,227

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are mostly lower and the market tone is mixed. However, prices at the CME have increased in recent trading sessions. Despite NASS' July 21 report of record high cold storage holdings, CME cheese prices increased during Monday's (7/24) trading. Eastern cheese output is easing lower along seasonal patterns and milk supplies are tightening. More producers' operating schedules are down a day or two from a month ago. Current cheese stocks are about adequate and orders at the producer level are reported as steady. Food service orders are holding up very well in resort areas. Retail sales are fair at best unless featured. In just three weeks, the DEIP-year cheese allocations totaling 3,030 MT have been filled.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2500-1.7175
Cheddar Single Daisies	:	1.2075-1.6675
Cheddar 40# Block	:	1.3525-1.5275
Process 5# Loaf	:	1.3825-1.5575
Process 5# Sliced	:	1.4025-1.6600
Muenster	:	1.4100-1.7125
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled, with natural varieties generally stronger than process and barrels. Increased spot offerings, often from Western sources, and a process cheese demand slowdown is pressuring barrel prices. A factor is higher meat prices than a year ago, both beef and pork, which makes cheeseburgers and other meat and cheese specials more expensive to produce. Mozzarella sales continue to generally hold up stronger than expected for the traditionally sluggish summer. Buyers continue to purchase most product for short term needs with emphasis on non-commodity types such as varieties like pepper jack that are made to order. Inventory management is increasingly important heading into fall. Swiss prices are steady to higher, reflecting the expectation of higher cheese milk prices. Stronger milk demand from Southern buyers has helped to reduce manufacturing milk supplies, at least east of the Rockies. Cheese yields are at usual lower summer levels.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.3725-1.5900
Brick And/Or Muenster 5#	:	1.5500-1.7725
Cheddar 40# Block	:	1.5500-2.1150
Monterey Jack 10#	:	1.7500-2.1150
Blue 5#	:	1.9075-2.1200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5700-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0000-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	JULY 24 - 28, 2000
BARRELS*	:	\$1.1725 - 1.2150 (NOMINAL)
	:	(\$.0225) (.0025)
40# BLOCKS	:	\$1.2325 - 1.2800 (NOMINAL)
	:	(\$.0625) (.0100)

() Change from previous week. * If steel, barrel returned.

WEST

Natural and process cheese prices are lower based on CME average prices from last week. Demand is often being rated as sluggish. Buyers want to see some direction to the market before they put a buying strategy in place. Many end users state that they are in the summer doldrums season and that they are content to work off some previously purchased stocks at this time. The mozzarella market remains tight with buyers positioning themselves for the upcoming fall demand season. Swiss sales are good. Swiss cold storage stocks at the end of June total 10.2 million pounds, down 13.1% from last year. Total American cheese stocks are at 574.6 million pounds, up 8.2% from last year and an all time record inventory total.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3250-1.5850
Cheddar 40# Block	:	1.3350-1.4750
Cheddar 10# Cuts	:	1.5150-1.7350
Monterey Jack 10#	:	1.5250-1.6850
Grade A Swiss Cuts 6 - 9#	:	2.2000-2.4500

FOREIGN

Domestic style prices are fractionally lower and the market tone is mostly unchanged. There have been reports of improved demand for imported blue. Distributors see stocks tightening both here and in Europe. Many are trying to stock up now before stocks dry up and prices climb. Overall, demand is seasonally slow to fair.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.1400	1.5525-3.0475*
Gorgonzola	3.2400-5.9400	2.1075-2.4900*
Parmesan (Italy)	TFEWR	2.9675-2.9925*
Romano (Italy)	2.1000-2.5400	-0-
Provolone (Italy)	3.4400-5.5000	1.5675-1.8375*
Romano (Cows Milk)	-0-	2.7425-4.9175*
Sardo Romano (Argentina)	2.6500-3.2900	-0-
Reggianito (Argentina)	2.6500-3.2900	-0-
Jarlsberg (Brand)	2.7400-3.3100	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam	:	:
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.0900	-0-
Gouda, Large	2.3900-3.1500	-0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	27.8000-31.7000	-0-

*=Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

		BUTTER : CHEESE	
07/24/00	34,261	:	145,091
07/01/00	32,757	:	140,036
CHANGE	1,504	:	5,055
% CHANGE	5	:	4

FLUID MILK AND CREAM

E A S T

The base price for Class I milk for August 2000 is \$11.95 per cwt., down 51 cents from July. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for August is \$8.40, down one cent from July. Milk production continues to fall in the Deep South where drought, high temperatures, and humidity persist. Milk production declines have been most noticeable in Texas and Georgia. However, cooler temperatures were felt in most of the region this week and milk output seemed to level off. Florida had cooler temps and some much needed rain fell at midweek. Milk supplies in Florida are tight and handlers took all their committed supply from nearby states plus another 30 loads from the Middle Atlantic area. This compares to 51 loads imported last week and 63 loads during the same week last year. Handlers in other Southeastern states are bringing in milk that is committed to them on a year round basis, but until now, was processed/cleared where produced. Milk supplies in the Northeast are little changed from last week. Milder and dryer weather has helped hold milk output. Bottled milk demand ranges from seasonally slow to fairly good as a number of retail features have been reported. Manufacturing plant contacts report lighter plant receipts and operations are down accordingly. Most Southern manufacturing/balancing plants are idle with some operating as milk is available. Reports indicate that cheese operations in the Northeast are taking as much milk as they can obtain. Butter/powder plants are moving most of their receipts as liquid products. Condensed skim sales are holding up quite well, particularly Class III. Spot prices are mostly unchanged, but contacts do expect July Class III milk prices to move at least a dollar high than June. The fluid cream market remains firm. Supplies are not quite as tight as they have been, but West Coast cream continues to be "imported" to supplement local shortages. Spot prices are often lower as the average butter price at the CME did fall nearly four-cents from the previous week. Multiples, however, are generally unchanged. Ice cream output is holding up at seasonally heavy levels. Sales of hard and soft serve ice cream are good. Cream cheese output is about steady. Churning activity ranges from light to moderate.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.4698-1.6994
DELIVERED EQUIVALENT ATLANTA	-	1.4930-1.6650 M 1.5617-1.6306
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.5961-1.6536

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0500-1.1100
NORTHEAST- CLASS III - SPOT PRICES	- .8000-1.0100

M I D W E S T

SPOT SHIPMENTS:	LOADS
JULY 21 - 27, 2000	4
PREVIOUS WEEK	3
COMPARABLE WEEK IN 1999	14

DESTINATIONS: KENTUCKY 4

Class I demand is relatively steady at summer levels except where featured. Dips and cottage cheese interest is generally good for summer. Milk supplies have tightened in recent weeks. Reported spot manufacturing milk prices are little changed, generally about \$1.50 to \$1.75 over class. Many cheese plant operating schedules have declined a day or two on their own producers' intakes while others are trying to take an occasional day or two off, often to help with some planned repairs and maintenance. Milk supplies are generally lower, though a few operations are noting increased receipts where their producers are saying a larger number of cows are freshening than drying off. After cooler temperatures returned, some plant operators have noted a slight rebound in solids and, to a lesser degree, an increase in milk receipts. In many areas of the

upper tier of states, week to week changes have been minimal due to the lack of sustained heat and/or humidity. Further south in the region, the impact has been more noticeable due to more sustained summer temperatures. Cream demand is seasonally good, although some ice cream manufacturers are on the down side of the production season. Lower cash butter prices at the Chicago Mercantile Exchange are partly offset by slightly higher cream multiples. Second and third crop hay/haylage, winter wheat, and oats are being harvested. A few fields of second crop out-yielded first, an unusual occurrence affected by the early June rain pattern. Dryer conditions in sections of the upper tier of Midwestern states has caused lawns and pastures to start to brown.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JULY 20 - 26	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.00- 43.00	\$ 36.00- 41.50
REPLACEMENT HEIFER CALVES	\$285.00-335.00	\$220.00-265.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JULY 20 - 26	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.00- 49.00	\$ 34.50- 44.50

W E S T

June pool receipts of milk in California total 2.608 billion pounds, 6.6% higher than last year. Cumulative pool output through the first six months of 2000 totals 15.849 billion pounds (unadjusted for extra day in February 2000), up 7.7% from the comparable period in 1999. The June blend price, at a fat test of 3.55%, is \$11.40, 44 cents higher than May. The percentage of receipts used in Class I products is 19.89%. The June quota price is \$12.78 and the base and overbase prices are \$11.08. These prices are 54 cents higher than last month but \$1.07 lower than June 1999. Hotter weather conditions in southern California are having a small impact on milk production. Plant receipts are commonly off by 1 to 2%. In the Central Valley, milk output is strong, despite a recent surge in temperatures early in the week. Some contacts are noting that the protein levels are starting to decline. Further north, the milk flow is still good. Plants are experiencing few unexpected problems in the state. There is some downtime for scheduled maintenance and new equipment installation, but processors are pleased with the current situation. Milk supplies remain heavy in the state, but are declining from the seasonal peak in May. Milk intakes are often noted as at higher levels than during the peak of 1999. Factors include: increases in milk cows, increases in milk per cow, lower feed prices, and milder weather. Cream supplies run from tight to long. Multiples are generally holding steady with recent weeks in the 115 to 132 range. Some sellers are increasing multiples to offset lower butter prices. Daytime high temperatures reaching over 110 degrees continue to plague Arizona. Milk production continues to suffer. Heat abatement measures are in place, but are not able to keep production from slipping. Humidity levels have crept higher, making cow comfort levels more unbearable. New Mexico production is trending seasonally lower. Hotter and wetter conditions are compounding declines. Several plants have shortened operating schedules due to less milk being available for processing. Some milk is being shipped from the Southwest towards the Southeast to fill in for shortages. Milk production remains seasonally strong in the Pacific Northwest. Plants have more milk than they anticipated. Stress on the milking herds has been minimal so far this summer. Heat has not been a problem. Some better quality hay is beginning to show up on the market, but at higher prices. Many milk producers have contracted much of their fall corn and barley needs and are working on cotton seed and soybean meal. Most feel that their cost side is under control, but they remain concerned about the return side. Some producers are searching for heifers, but are not having much luck. Culling rates remain very light. Conditions are getting warmer in Utah and Idaho and there is no moisture in sight at this time of year. Some areas of the region are now applying for drought assistance. Milk production is declining along more normal seasonal patterns in the region. Continued growth in the milking herd is apparent in Idaho. Producers continue to look for heifers.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 07/27/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged to higher on a mostly steady market. Seasonal decreases in the milk supply are reducing NDM output. Plant schedules continue to adjust to available milk supplies with some plants closing for the season. Movement into government programs is slowing with some offerings being canceled as commercial interests are given priority. Ice cream and cheese demand are clearing supplies steadily with some movement through brokerage firms. High heat and Grade A movement are good with prices generally moving higher. Off grade product is available at substantial discounts and competing for WPC interest.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0100 - 1.0350 MOSTLY: 1.0150 - 1.0225

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a mostly steady market. Trading is very light. Many buyers are taking a wait and see approach as prices are expected to move lower. Producers are not seeing any price resistance and are holding prices steady. Resellers are offering supplies at 3-4 cents under the average. Production is generally unchanged with most product clearing the best into committed bakery and seasoning contracts. Inventories are tight to in balance. Condensed continues to clear well into ice cream facilities. Off grade product is difficult to find for the light to fair interest.

BUTTERMILK: .9825 - 1.0200

DRY WHEY - CENTRAL

Prices are unchanged on a steady to weak market. While some milk replacer facilities are increasing their whey intake due to formula changes away from WPC, demand is down compared to last week. Some producers are running long on supplies while others are generally in balance. Offerings are being made to resellers at 1-2.25 cents below the average. Resellers are not showing much interest, especially on product desired for export as West coast prices are more attractive. Production is steady to lower with milk and cheese output declining seasonally. In some areas, the solid content in milk is lower. Most plants are adequately handling the available condensed supplies. Off grade product is tight for the light interest.

NONHYGROSCOPIC: .1900 - .2050 MOSTLY: .1950 - .2000

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a steady market. Production is somewhat lower on all feed items due to seasonal declines in the milk supply. Milk replacer inventories are tight yet some prices moved lower. Many buyers are waiting for market changes and are instead working off of current in house stocks. The roller ground market is unchanged with product clearing well into the hog sector. Delactose demand is good into food and feed markets. Supplies are tight yet producers are not price aggressive as some buyers are stating that if prices move as high as 40 cents, delactose would no longer be price advantageous into feed formulas. Some off grade delactose is readily available under the average. Early weaned pig prices are trading lower while lean hogs, barrow and gilt markets are mostly steady. The North Central veal market is steady with some firmer undertones noted.

MILK REPLACER: .1450 - .1900

ROLLER GROUND: .1825 - .1975

DELACTOSE (Min. 20% protein): .3750 - .4000

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a weak market. Spot trading is very light. Multiple load shipments are being offered at 15 cents FOB. Resellers and end users are not showing interest at the lower prices which is causing concern for some producers. Supplies remain mixed with some manufacturers running long while others are tight or sold out. Production is lighter due to seasonal decreases in the milk supply yet overall output remains strong due to the heavy interest in WPC. Inquiries are next to nil with contracts and 200 mesh product clearing the best. Off grade supplies are plentiful with buyers often bidding in the single digits.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1500 - .2300 MOSTLY: .1700 - .1800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher and the market tone remains unsettled. Resellers are apparently offering product at 2-3 cents under the average. Sales of said resale product is yet to be confirmed. Some producers are trading under the average while others tend to trade 1-3 cents over the average. Feed buyers are canceling contracted loads and receiving resistance from suppliers. Feed buyers see this as an indicator of weakness because if the market was truly tight, producers would be able to readily find a home for their product elsewhere. Manufacturers continue to see the market as steady to firm with a strong demand into nutraceuticals, process cheese, ice cream, yogurt and other food items. Production is generally unchanged and inventories are in better balance given the new supplies available from buyer cancellations. Condensed is clearing well into food and feed items without any resistance. Off grade supplies are plentiful at prices that vary with the quality.

EXTRA GRADE 34% PROTEIN: .7725 - .8125 MOSTLY: .7725 - .7925

NONFAT DRY MILK - WEST

Prices for low/medium heat NDM are holding mostly steady. There continues to be weakness noted in the market. Additional supplies are being offered as production remains seasonally active and demand remains lackluster. Some producers are seeing levels drop due to declines in milk receipts or shipments of milk to fill shortages in other regions. Some DEIP orders are being filled, but the lack of future orders is unsettled. Direct exports are slow to develop. High heat prices are lower within the range. Demand is fair seasonally and better for some contacts. During the week of July 17 - 21, CCC net purchases totaled 6.4 million pounds of nonfortified NDM and 1.1 million pounds of fortified NDM under the price support program. All but 10,000 pounds were from the West.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9900 - 1.0225 MOSTLY: 1.0000 - 1.0100

HIGH HEAT: 1.0300 - 1.0700

DRY BUTTERMILK - WEST

Dry buttermilk prices and the market tone are holding steady. There is some unsettledness to the market due to some lower priced offerings on the resale market. Producer offerings are mixed with some suppliers short while others are seeing levels steady to occasionally slightly higher. Demand is generally clearing current offerings, but buyer interest is noted to be lower than in recent weeks. Producers' stocks are mostly limited.

BUTTERMILK: .8800 - .9650 MOSTLY: .8800 - .9000

DRY WHEY - WEST

Prices again moved fractionally higher for Western whey powder. Contacts are calling it a balanced market situation. Most expect these increases to continue into at least the early fall season. Export sales are of a very regular nature. Domestic orders are good for regular account needs. Production is declining slowly seasonally with the possibility of a sharper decline as some milk moves around the region into different products.

NONHYGROSCOPIC: .1725 - .2025 MOSTLY: .1800 - .1875

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
July 21	\$1.0077	12,144,850
July 14	\$1.0061	14,706,334

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are mostly steady to higher on low heat, steady on high heat. The market tone is firming. Price increases have been announced by some suppliers and should go into effect next week. Production levels are lighter as condensed skim demand remains good and surplus milk volumes are decreasing seasonally. Some plants have had to curtail wet solids sales to make NDM to meet contract shipping schedules. Most Eastern plant contacts reports being closely balanced. Nearly all of the Eastern NDM offered to CCC early last week has been canceled. Domestic demand is fairly good and export interest seems to be improving. However, foreign buyers are not quite ready to pay our current asking prices for NDM, particularly from Eastern producers. Powder is more readily available from Western producers.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0175 - 1.0500 MOSTLY: 1.0250 - 1.0300

HIGH HEAT: 1.0700 - 1.1000 MOSTLY: 1.0700 - 1.0800

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1100

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to higher and the Northeast prices are nominal. The market tone is basically steady. However, with prices approaching or over one-dollar in the Midwest and West, more contacts are commenting that end users and resellers are offering dry buttermilk out of inventory at prices well below current spot prices. Eastern producers have little to offer on the spot market. Production is light as churning activity is falling into typical summer levels. Demand is often slower, particularly on the higher priced offers.

F.O.B. NORTHEAST: .8800 - .9000

DELVD SOUTHEAST: .9300 - .9550

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. There is little spot activity reported. Production levels are steady to occasionally lighter now that surplus milk volumes are tightening. In the East, more milk is moving into the Southeast for fluid needs which effects surplus milk volumes in the region. In the West, milk supplies are moderate and dry whole milk output is steady to lighter.

F.O.B. PRODUCING PLANT: 1.2050 - 1.3100

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2000 THROUGH JULY 21, 2000
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 12,750 MT (28,108,650 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

CHANGE -- 1,330 MT (2,932,118 LBS)

This program-year's allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly steady and the market tone remains firm. Cheese making schedules are lighter along seasonal patterns and dry whey output is off accordingly. Some contract shipments/pick ups are being delayed by several days. Producer stocks are tight and many producers report being sold out through most of August. Spot interest is fair to good. There is some price resistance, but many buyers anticipate higher prices and seem to be more interested in purchasing ahead of any possible increase. Export interest does occur at the lower end of the range. Animal feed, dry whey stocks are in better balance and demand is about steady.

F.O.B. NORTHEAST: EXTRA GRADE .1975 - .2050

USPH GRADE A .2000 - .2100

DELVD SOUTHEAST: .2200 - .2400

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged and the market remains highly competitive. However, buyers and producers expect higher Class III milk prices and some buyers are trying to buy ahead of any possible price increase or reduction in allowances. Demand is mostly steady and centered around replacement needs.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$20.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

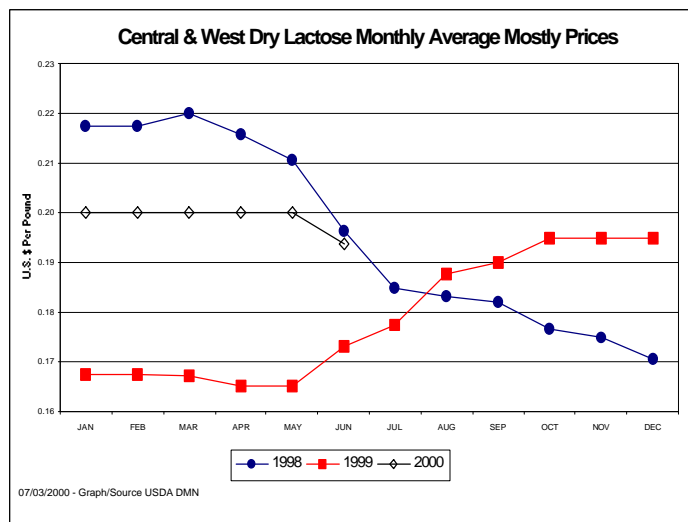
CASEIN - NATIONAL

Casein markets remain firm. Production in Europe continues to concern domestic buyers. The firm international skim milk powder market is strongly competing for milk to fill committed and possible sales, thus limiting casein production. In many instances, although casein output is lighter than desired, producers are indicating that they will acknowledge existing commitments and will fill orders. Shipments might not be as timely as scheduled. Reports are indicating that some spot loads of poorer quality casein are entering the market and are quickly being absorbed.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.1800 - 2.2600

ACID: 2.1800 - 2.2900



MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated.

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	MAY 31, 1998	MAY 31, 1999	REVISED MAY 31, 2000	JUN 30, 1998	JUN 30, 1999	JUN 30, 2000
Butter	72,702	136,575	138,107	60,550	120,606	144,824
Cheese, Natural American	443,730	558,952	554,619	450,216	531,268	574,567
Cheese, Swiss	11,302	11,978	10,668	11,460	11,725	10,184
Cheese, Other Natural	113,449	170,359	198,095	122,041	185,427	197,517
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	308	257	489	300	257	420
Natural American Cheese	155	13	52	139	33	46

JUNE COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter*			Other Natural Cheese		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
New England	22,805	28,238	22,529	---	---	---	303	498	777
Middle Atlantic	43,918	48,116	48,870	---	---	---	13,310	12,764	9,563
East North Central	240,239	241,045	296,024	---	---	---	99,083	93,269	103,227
West North Central	70,097	141,373	119,911	---	---	---	1,566	66,821	70,809
South Atlantic	746	661	4,505	---	---	---	779	801	444
East South Central	222	0	0	---	---	---	2,000	213	201
West South Central	219	348	489	---	---	---	426	235	482
Mountain	18,621	13,889	12,726	---	---	---	909	961	1,191
Pacific	53,349	57,598	69,513	---	---	---	3,665	9,865	10,823
TOTAL	450,216	531,268	574,567	60,550	120,606	144,824	122,041	185,427	197,517

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 1999 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	Million Pounds						Million Pounds						Million Pounds					
January	73	61	73	61	<u>3/</u>	<u>3/</u>	480	452	480	452	<u>3/</u>	<u>3/</u>	296	175	146	82	150	93
February	89	95	89	95	<u>3/</u>	<u>3/</u>	515	465	515	465	<u>3/</u>	<u>3/</u>	359	190	173	108	186	82
March	98	108	97	108	<u>3/</u>	<u>3/</u>	525	468	525	468	<u>3/</u>	<u>3/</u>	395	205	168	123	227	83
April	127	126	127	125	<u>3/</u>	<u>3/</u>	548	514	548	514	<u>3/</u>	<u>3/</u>	458	222	197	136	260	86
May	138	137	138	136	<u>3/</u>	<u>3/</u>	555	559	555	559	<u>3/</u>	<u>3/</u>	514	252	205	164	309	88
June	145	121	144	120	<u>3/</u>	<u>3/</u>	575	531	575	531	<u>3/</u>	<u>3/</u>		273		158		114
July		124		123	<u>3/</u>	<u>3/</u>		545		545	<u>3/</u>	<u>3/</u>		282		141		141
August		95		95	<u>3/</u>	<u>3/</u>		511		511	<u>3/</u>	<u>3/</u>		272		101		171
September		71		71	<u>3/</u>	<u>3/</u>		475		475	<u>3/</u>	<u>3/</u>		234		87		147
October		64		64	<u>3/</u>	<u>3/</u>		459		459	<u>3/</u>	<u>3/</u>		217		84		133
November		30		30	<u>3/</u>	<u>3/</u>		448		448	<u>3/</u>	<u>3/</u>		225		87		138
December		25		25	<u>3/</u>	<u>3/</u>		458		458	<u>3/</u>	<u>3/</u>		273		139		134

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	May 31, 1998	May 31, 1999	May 31, 2000	Jun 30, 1998	Jun 30, 1999	Jun 30, 2000
	Thousand Pounds					
Butter	72,394	136,318	137,618	60,250	120,349	144,404
Natural American Cheese	443,575	558,939	554,567	450,077	531,235	574,521

1/ Total holdings minus Government owned holdings. For more information, see page 7 of this report.

SOURCE: "Cold Storage," Co St 1 (7-00) and "Dairy Products," Da 2-6 (7-00), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

FEDERAL MILK ORDER ADVANCE PRICES, AUGUST

Class I Base Price. Under the Federal milk order pricing system, the Class I base price for August 2000 is \$11.95 per cwt. This price is derived from the advanced Class IV skim milk pricing factor of \$7.70 and the advanced butterfat pricing factor of \$1.2913. Class I differentials specific to each order are added to the base price to determine the Class I price. **Class II Price Information.** The advanced Class IV skim milk pricing factor is \$7.70. Thus, the Class II skim milk price for August is \$8.40 per cwt., and the Class II nonfat solids price is \$0.9333. **Product Price Averages.** The two-week product price averages for August are; butter \$1.1729, nonfat dry milk \$1.0093, cheese \$1.2269, and dry whey \$0.1893.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	August 2000		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		<u>\$ per cwt.</u>	<u>\$ per cwt.</u>	<u>\$ per pound</u>
Northeast (Boston) <u>4/</u>	001	15.20	10.95	1.3238
Appalachian (Charlotte) <u>5/</u>	005	15.05	10.80	1.3223
Southeast (Atlanta) <u>6/</u>	007	15.05	10.80	1.3223
Florida (Tampa) <u>7/</u>	006	15.95	11.70	1.3313
Mideast (Cleveland) <u>8/</u>	033	13.95	9.70	1.3113
Upper Midwest (Chicago) <u>9/</u>	030	13.75	9.50	1.3093
Central (Kansas City) <u>10/</u>	032	13.95	9.70	1.3113
Southwest (Dallas) <u>11/</u>	126	14.95	10.70	1.3213
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	14.30	10.05	1.3148
Western (Salt Lake City) <u>13/</u>	135	13.85	9.60	1.3103
Pacific Northwest (Seattle) <u>14/</u>	124	13.85	9.60	1.3103
All-Market Average		14.53	10.28	1.3171

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are principal pricing points of markets. 4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other points are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other points are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other points are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other points are: Portland, same; and Spokane, same.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
APR 2000	166.6	2.0	160.6	2.9	155.2	3.7	163.6	2.3	131.0	-10.0	152.9	4.2
MAY 2000	167.3	2.2	159.6	2.2	156.1	3.7	162.1	0.9	132.9	-4.8	153.9	4.9
JUN 2000	167.3	2.3	159.5	2.2	156.9	4.9	161.7	1.1	137.5	-4.4	154.9	5.2
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Lowfat Milk ^{4/}		Butter ^{5/}		Process Cheese		Natural Cheese		Ice Cream ^{8/}	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	Dollars											
APRIL	2.773	2.707	2.711	2.686	2.300	2.703	3.747	3.748	3.790	3.694	3.338	3.266
MAY	2.782	2.716	2.714	2.651	2.379	2.546	3.692	3.806	3.740	3.721	3.347	3.195
JUNE	2.763	2.704	2.637	2.640	2.525	2.648	3.622	3.779	3.758	3.672	3.546	3.306

NA = Not available. ^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: MILK IN ALL PRODUCTS, 2000 ^{1/}

Item	Jan	Feb	Mar	Apr	May
Supply:					
Production	14,258	13,596	14,739	14,378	14,772
Farm Use	113	105	113	109	113
Marketings	14,145	13,491	14,626	14,269	14,659
Beginning commercial stocks ^{2/}	6,135	7,576	8,300	8,638	9,520
Imports ^{2/}	265	316	371	358	412
Total Supply ^{3/}	20,545	21,383	23,297	23,265	24,591
Utilization:					
Ending commercial stocks	7,576	8,300	8,638	9,520	9,928
USDA net removals ^{2/}	88	99	86	78	90
Commercial disappearance ^{3/}	12,881	12,984	14,573	13,667	14,573
Percent change from a year ago (daily average basis)	5.0	4.9	3.2	2.2	4.7
Cumulative disappearance	12,881	25,865	40,438	54,105	68,678

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. ^{3/} Totals may not add because of rounding. **SOURCE:** "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-73, July 26, 2000, Economic Research Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF JULY 24 - 28, 2000			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 07/21/00	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	1,162,919	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	5,583,600	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	6,746,519	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	6,746,807	352,383	6,394,424	406,354,778	169,393,157	-0-	-0-
Fortified	925,500	-0-	925,500	7,685,460	1,705,369	-0-	-0-
TOTAL	7,672,307	352,383	7,319,924	414,040,238	171,098,526	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JULY 24 - 28, 2000 =	1.6	85.2	COMPARABLE WEEK IN 1999 =	0.4	21.4
CUMULATIVE SINCE OCTOBER 1, 1999 =	153.4	4,886.2	CUMULATIVE SAME PERIOD LAST YEAR =	37.6	1,991.6
CUMULATIVE JANUARY 1 - JULY 28, 2000 =	142.1	4,293.1	COMPARABLE CALENDAR YEAR 1999 =	37.6	1,990.3

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JULY 24 - 28, 2000 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	6,394,424	925,500
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MIDWEST	-0-	-0-	6,665,991	-0-	44,738,558	15,434,971	46.5	9.0
WEST	-0-	-0-	80,528	-0-	364,361,420	155,663,555	52.8	91.0
EAST	-0-	-0-	-0-	-0-	4,940,260	-0-	0.7	0.0
TOTAL	-0-	-0-	6,746,519	-0-	414,040,238	171,098,526	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 07/08/00 & Comparable Week 1999 1/ 2/

Regi on s *											U.S. TOTAL		% DAIRY OF ALL																	
	:	1	:	2	:	3	:	4	:	5	:	6	:	7	:	8	:	9	:	10	:	WEEK	:	SINCE JAN 1	:	WEEK	:	SINCE JAN 1		
2000-Dairy cows	HD	(000)	:	0.2	:	0.7	:	5.1	:	3.3	:	15.6	:	1.5	:	0.6	:	0.4	:	7.9	:	1.7	:	37.0	:	1,390.2	:	49.1	:	48.8
1999-Dairy cows	HD	(000)	:	0.2	:	0.8	:	4.9	:	4.2	:	13.7	:	2.2	:	2.4	:	0.7	:	7.5	:	2.3	:	38.9	:	1,352.1	:	45.9	:	45.8
2000-All cows	HD	(000)	:	0.2	:	0.8	:	6.9	:	8.0	:	23.0	:	8.0	:	11.0	:	3.1	:	10.1	:	4.4	:	75.4	:	2,847.9	:		:	
1999-All cows	HD	(000)	:	0.2	:	0.9	:	6.7	:	10.5	:	19.1	:	10.8	:	15.4	:	3.3	:	11.0	:	6.7	:	84.7	:	2,952.7	:		:	

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

BASIC FORMULA PRICE (BFP), (3.5% BF, \$/CWT, FOR COMPARISON PURPOSES ONLY)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63

FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84	10.93	11.48	11.70	12.46	11.95				
Class II	11.43	11.51	11.71	12.10	12.63	13.08						
Class III	10.05	9.54	9.54	9.41	9.37	9.46						
Class IV	10.73	10.80	11.00	11.38	11.91	12.38						

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/fmor_announce.htm